
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business – Strategies” for details of our future plans.

USE OF PROCEEDS

We estimate that we will receive the net proceeds of approximately HK\$420.2 million from the Global Offering after deducting the underwriting fees and other estimated expenses in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$69.30 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$65.90 to HK\$72.70 per Offer Share in this prospectus.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market condition:

(a) Approximately HK\$243.3 million (equivalent to approximately US\$31.2 million, representing 57.9% of the net proceeds) will be allocated to fund the development and commercialization of STP705, and specifically:

- Approximately 14.4% of the net proceeds, or HK\$60.5 million (equivalent to approximately US\$7.8 million), is expected to be used for completing multiple sites of STP705 Phase IIB and Phase III clinical trials for the treatment of isSCC;
- Approximately 6.7% of the net proceeds, or HK\$28.1 million (equivalent to approximately US\$3.6 million), is expected to be used for conducting other STP705 clinical trials;
- Approximately 16.4% of the net proceeds, or HK\$68.9 million (equivalent to approximately US\$8.8 million), is expected to be used for completing the CMC and process development for STP705;
- Approximately 14.8% of the net proceeds, or HK\$62.4 million (equivalent to approximately US\$8.0 million), is expected to be used for operation of pilot plant and construction of commercial product manufacturing facility in Guangzhou. The pilot plant of our Guangzhou facility will be capable of cGMP-compliant manufacturing and will cover formulation, fill and finish, test and release for clinical application;
- Approximately 5.6% of the net proceeds, or HK\$23.4 million (equivalent to approximately US\$3.0 million), is expected to be used for efforts in sales and marketing of STP705;

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(b) Approximately HK\$65.7 million (equivalent to approximately US\$8.4 million, representing 15.6% of the net proceeds) will be allocated to fund the development of STP707, and specifically:

- Approximately 9.4% of the net proceeds, or HK\$39.5 million (equivalent to approximately US\$5.1 million), is expected to be used for the preclinical research and development for STP707;
- Approximately 2.6% of the net proceeds, or HK\$11.0 million (equivalent to approximately US\$1.4 million), is expected to be used for STP707 clinical trials;
- Approximately 3.6% of the net proceeds, or HK\$15.2 million (equivalent to approximately US\$1.9 million), is expected to be used for completing the CMC and process development for STP707;

(c) Approximately HK\$64.5 million (equivalent to approximately US\$8.3 million, representing 15.4% of the net proceeds) will be allocated to fund our GalNAc Program yielded products such as STP122G, STP133G, and STP144G and other preclinical stage product candidates, and where such research and development will further advance our proprietary GalAhead and PDoV-GalNAc delivery platforms for development of novel product candidates, and specifically:

- Approximately 7.3% of the net proceeds, or HK\$30.5 million (equivalent to approximately US\$3.9 million), is expected to be used for the preclinical research and development for our GalNAc Program;
- Approximately 1.8% of the net proceeds, or HK\$7.7 million (equivalent to approximately US\$1.0 million), is expected to be used for conducting clinical trials for our GalNAc Program;
- Approximately 6.3% of the net proceeds, or HK\$26.3 million (equivalent to approximately US\$3.4 million), is expected to be used for completing the CMC and process development for our GalNAc Program;

(d) Approximately HK\$30.8 million (equivalent to approximately US\$4.0 million, representing 7.3% of the net proceeds) will be allocated to fund the research and development of our other preclinical drug candidates.

(e) Approximately HK\$15.9 million (equivalent to approximately US\$2.0 million, representing 3.8% of the net proceeds) will be allocated for general corporate and working capital purposes.

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We estimate that we will receive from the Global Offering net proceeds, after deducting the underwriting fees and estimated expenses payable by us in connection with the Global Offering, in the amount as set forth in the following table:

	Based on the low-end of the proposed Offer Price range of HK\$65.90	Based on the middle-end of the proposed Offer Price range of HK\$69.30	Based on the high-end of the proposed Offer Price range of HK\$72.70
Assuming the Over-allotment Option is not exercised	Approximately HK\$395,740,888	Approximately HK\$420,222,468	Approximately HK\$444,704,848
Assuming the Over-allotment Option is exercised in full	Approximately HK\$466,919,007	Approximately HK\$495,073,744	Approximately HK\$523,228,481

If the Offer Price is set at the high point or the low point of the indicative Offer Price range (assuming the Over-allotment Option is not exercised), the net proceeds will increase or decrease by approximately HK\$24.5 million, respectively. We will apply the additional or reduced net proceeds to the above purposes on a pro-rata basis.

If the Over-allotment Option is exercised in full, we will receive additional net proceeds of approximately HK\$74.9 million, assuming an Offer Price of HK\$69.30 per Share, being the mid-point of the indicative Offer Price range.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we currently intend to deposit such net proceeds into interest-bearing bank accounts with licensed commercial banks or other authorized financial institutions. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.